

# MEETING SUMMARY: PORTS AND WATERWAYS ADVISORY COUNCIL

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## Meeting Time and Location

The first Ports and Waterways Advisory Council meeting for the *Louisiana Statewide Transportation Plan Update* was held on April 17, 2001 at the Marriott Hotel in Baton Rouge, Louisiana.

## Meeting Attendees

The following persons attended the meeting:

### Advisory Council Members/Representatives

- ☐ Robert Shaw, International Paper
- ☐ David Wagner, Port of New Orleans
- ☐ John Carnes, US Maritime Administration
- ☐ Joe Accardo, Jr., Port of South Louisiana
- ☐ Channing Hayden, Jr., New Orleans Steamship Association
- ☐ John Irion, South Tangipahoa Parish Port Commission
- ☐ Roy Francis, Greater Lafourche Port Commission and LA Coalition

### Non-Member DOTD Staff

- ☐ Bruce Easterly, DOTD
- ☐ D. J. Webre, DOTD
- ☐ Bobby Hennigan, DOTD
- ☐ Emily Efferson, DOTD
- ☐ Art Rogers, DOTD, LTRC
- ☐ Bobak Naghavi, DOTD, LTRC
- ☐ Nick Verret, DOTD
- ☐ Whitney Ledet, DOTD
- ☐ Ed Preau, DOTD
- ☐ Dr. Eric Kalivoda, DOTD

### Consultant Team Members

- ☐ Dr. Anatoly Hochstein, NPWI (Presenter/Facilitator)
- ☐ Dr. Jay Jayawardana, NPWI
- ☐ Dot McConnell, NPWI
- ☐ Mike Maynard, Wilbur Smith Associates
- ☐ Rob Hebert, Wilbur Smith Associates

### Others

- ☐ Huey Dugas, Capital Region Planning Commission
- ☐ Maggie Woodruff, The New Orleans Regional Chamber

- ❑ Jim Harvey, New Orleans regional Planning Commission
- ❑ Pete Chocheles, Jefferson Economic Development Council (JEDCO)
- ❑ Bryan Davis, Parsons Brinkerhoff
- ❑ Jonathan Daniels, Port of Greater Baton Rouge
- ❑ Roger Richard, Port of Greater Baton Rouge
- ❑ Glenda Jeansonne, Louisiana Airport Authority
- ❑ Roy Miller, Shreveport Airport Authority

The Ports and Waterways Advisory Council convened at 9 AM to discuss the Statewide Intermodal Plan Update. In addition to members of the Advisory Council, there were representatives from DOTD, MARAD, Wilber Smith & Assoc., the National Ports and Waterways Institute, MPO's and several individual port authorities. Dr. Anatoly Hochstein moderated the session.

The presentation began with an overview of the plan update including a brief explanation of the project, work plan, review of the current Statewide Intermodal Plan, the Statewide Travel Demand Model, and the Public Outreach component of the current effort. To date the Public Outreach component has issued a newsletter and has developed a web site (<http://www.lastateplan.org>).

Dr. Hochstein indicated the Ports and Waterways segment of the report should be drafted by late Fall. However, the dissemination of findings, the debate and eventual approval will take much longer.

It was also mentioned that the Ports and Waterways Advisory Council needed to select a chairman to represent the Council before the Statewide Intermodal Transportation and Economic Development Policy Commission. It was decided to postpone that selection until a larger number of council members were present. It was also recommended that copies of today's presentation be given out at the next PAL meeting.

Discussion followed the items as defined in the original plan and as recommended at the July 31, 2000 conference in New Orleans.

#### M-1 Statewide Maritime Marketplace Initiatives

Primary emphasis was on specific actions that could be taken to disseminate information that the plan will develop. Local economic development agencies should be included in this effort. There is a large need to explain the advantages of water transportation to the public and there is a need to provide information about LA's ports and port facilities.

Dave Wagner of the Port of New Orleans identified two types of marketing efforts. The first would be done by the port and would be directed to a specific client with a focus on international trade. This would not require support from any other entity. The second would be a broader based marketing effort with a goal of attracting industry into Louisiana that requires port services. Emphasis must be placed on enticing value added businesses to locate in Louisiana. Houston, for example has 60% of its cargo generated within a few miles of the port. This is a "captive cargo base". Louisiana does not have this captive cargo base and needs to develop one. International marketing efforts should be included. Dr. Hochstein suggested the following as a summary:

1. Identify what should be coordinated with other entities. Focus on a method to provide an information package to various economic development agencies.
2. Watch closely as DED is reformed to make certain that initiatives are undertaken on behalf of the maritime community.
3. Approach individual offices/agencies that may be able to make specific marketing effort

It was determined that all of the recommendations made during the discussion should be considered as parts of an overall Marketing Plan.

#### M-2 Port Infrastructure Investment

The recommendation made at the July 2000 conference had been to increase funding by \$5 million per year for the next 30 years. Without an identified fund source for that objective, it appears that the recommendation may be too optimistic. Therefore, it was suggested that item be amended to something more realistic.

In suggesting funding levels necessary to sustain an aggressive infrastructure development program, it was recommended that all current funding sources be evaluated. This would include Port Priority, Capitol Outlay, any other state sources as well as all Federal sources. Once this evaluation is complete a better recommendation can be made.

Funding alternatives such as a loan program and bond programs were also discussed.

Dr. Kam Movassaghi, Secretary of DOTD plans to request a special legislative session in the Fall to address DOTD's funding needs. Recommendations might include an increase in the fuel tax, an increase in truck fees and a redirection of those fees to the Transportation Trust Fund. That effort should be closely monitored to see if opportunities for additional port related funding become available.

#### M-3 Public Port Landside Access Cost Sharing

The UNO National Ports and Waterways Institute is finalizing a report that addresses this issue. The report will be distributed for comment.

#### M-4 Waterway Improvements Requiring State Cost Sharing

It is recommended that a major lobbying effort be undertaken to change the federal cost-sharing requirement for dredging projects. Currently the sponsor must agree to pay a cost share for dredging that escalates as depth increases. In addition and perhaps most importantly a local sponsor must agree to pay a 50% share for channel maintenance. This is an unknown figure that could commit a local sponsor to work beyond his ability to pay. As the law is currently written, no local sponsor can risk the potential long-term impacts of becoming a project sponsor.

It was suggested that maintenance be a totally federal responsibility and that no local matching requirement should exceed 25%. Because of Louisiana's physical location at the mouth of the Mississippi River, it was recommended that Louisiana's congressional delegation take the lead in this initiative. Other states that benefit from water transportation on the Mississippi (Midwestern states, other coastal states) should be asked to join our effort.

### **New Issues and Initiatives**

Once discussion was complete regarding issues that had been formulated at the first conference for the Statewide Intermodal Plan (July, 2000), new developments were presented.

These developments are:

1. Outer Continental Shelf Activity
2. North/South Trade Corridor
3. High Speed Ferries
4. Capacity of the Inland Waterway System
5. Intermodal/Multimodal Council
6. Connectors/Access

The new energy policy currently under review is expected to generate even more extensive pressure on Louisiana's ports engaging in offshore supply. The SITP should consider as one of its major focuses providing an adequate plan and investment strategy for these ports to meet growing demands.

Most interest centered on the report recently issued concerning the Upper Mississippi River and problems with the US Army Corps of Engineers. Traffic along the Mississippi River is under attack and more and more is being diverted to rail and the west coast ports.

The Mississippi River is currently close to capacity and extensions of the existing locks and dams need to be constructed in the upper reaches of the river. Increased levels of traffic cannot be addressed until the lock problems are resolved. Commodities such as grain, coal and petroleum are impacted. It was also mentioned that all of the locks in Louisiana (except the new locks on the Red River) have reached their anticipated lifespan.

Dr. Kalivoda made an interesting suggestion regarding connectors/access. Many of the connectors to Louisiana's ports and terminal facilities are not in the state maintained highway system. Although it is not DOTD's intent to increase the total number of miles in that system, the roads in question could be exchanged for other roads within the same parish that are currently within the state maintained highway system. This should be explored with the parish governments.

### **Strategic Issues**

**Containers** – There are opportunities but there is a tremendous amount of competition for that business. Many Louisiana containers are handled in Houston. We need to explore ways to sustain and expand Louisiana's container opportunities.

**Bulk Cargo** – Stagnated with very low growth. Grain and petroleum are at a no growth level and coal is dropping.

**Growth Cargoes** – There is growth in barge movements and in non-traditional cargoes.

**National Policies** – It was felt that national policies (particularly environmental) do not serve to improve the ports and waterways industry. Joe Accardo mentioned that there is resistance to any new large development along the Mississippi River. These industries appear to be treated better in other states where environmental permitting seems to be easier.

The industry needs more involvement with DEQ and national permitting offices. The development of a cohesive industrial development policy aimed at educating the public was recommended. The possibility of new scientific solutions to the environmental problems was also suggested. It is important to conduct environmental assessments in relation to consequences, which may occur as a result of moving away from water to land transportation. This conversion would usually be disadvantageous for both energy and safety.

Some concern was expressed about the new national energy policy and how it might relate to Louisiana. Information was not available to answer this question.

**Millennium Port Authority** – The Millennium Port Authority is currently considering an enormous amount of data relative to the concept of a major container terminal. However, at its current funding level, the Authority's progress has been limited. It was recommended that the Authority be funded at a higher level.

**Reauthorization of TEA21** – Louisiana should take an active role in the debate of this legislation. PAL should be active in this effort.

### **Goals and Objectives**

Additional goals, which should be considered, are:

1. Greater public education about the value of our waterways specifically as freight transportation arteries.
2. The development of promotional packages to help accomplish the educational promotion recommended in #1.
3. Louisiana should be first as the gateway to Latin American trade!